



8.6 Media Relations

(07/04)

Statement

To give Fred Meyer employees guidance in responding to requests from various media outlets in a manner that promotes local markets and relationships while, at the same time, protecting Fred Meyer and its reputation. Contact with the media is an important Customer and public relations activity. Customers and the general public form their impressions about the Company from their personal experiences, the experience of others, and what they read in the newspaper, see on television or hear on the radio. This creates a framework for decisions about how to handle a media contact by asking the questions: how will Fred Meyer benefit from this contact and what will current or potential Fred Meyer Customers learn about the Company?

Scope

All media inquiries at Fred Meyer are to be forwarded to the VP, Public Affairs. This policy applies to all Fred Meyer employees.

Effective date

This policy is effective immediately and supersedes any previous policies.

Policy owner

Route all policy questions and suggested updates to the VP, Public Affairs.

Violation of this policy

Employees who violate this policy will be subject to disciplinary action up to and including termination.



Local Media

Fred Meyer establishes and maintains working relationships with local media, both electronic and print. These relationships can be very beneficial for Fred Meyer, where we strive to create and nurture positive relationships with local editors and reporters. The VP, Public Affairs is designated to handle media inquiries. This position is responsible for media relations in connection with store openings, community and charitable activities, promotional and routine matters.

Upon request, the Fred Meyer Public Affairs Department will provide assistance to store and/or warehouse locations for local matters that are potentially negative or mildly controversial, such as proposed local legislation, pricing issues, thefts, natural disasters, fires or store damage.

Employees are required to contact the VP, Public Affairs before comments are given to the media when there are controversial matters that involve the Company's reputation as a responsible business. Examples of such stories include employee or Customer illnesses; food safety concerns, including recalls and withdrawals; Customer or employee deaths; hidden camera exposes; alleged violations of local, state or federal laws or regulations; lawsuits that have been filed; claims of illegal activities or other wrongdoings; labor relations matters; or claims of racial, economic or any other type of discrimination.

Employees should refer to the VP, Public Affairs all inquiries by local newspapers on stories that seek the Company or industry perspective or issues that involve suppliers or vendors. Requests for comment about possible acquisitions or other major corporate agreements also should be referred to the VP, Public Affairs.

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National Media

All inquiries from national print, electronic and internet media must be referred to Kroger G.O. Fred Meyer employees are asked not to make contact with national media outlets - please route all inquiries through the Fred Meyer Public Affairs Department. These contacts are particularly important because of their potential impact on investor relations in addition to the Company's reputation and image. National media include the following:

- ◆ The New York Times
- ◆ The Wall Street Journal (including regional editions)
- ◆ Associated Press, Reuters, Bloomberg
- ◆ Any financial news service
- ◆ All magazines, except local publications
- ◆ All national network and cable television programs, (i.e. Dateline, NBC Nightly News)

Trade Press

Our competitors and suppliers – not our Customers – read the trade press (Supermarket News, MMR, Chain Drug Stores, etc.). Therefore, participation in trade press stories is discouraged. Inquiries from the trades, including those seeking local experiences on national issues, such as a widespread recall or the impact of federal or state law, should be referred to Kroger G.O. Promotions of new store designs and stories about merchandising initiatives, technology uses or applications, store operations, relationships with vendors and the like must be discussed with Kroger G.O. before being presented to the trade press. Speeches and other appearances at trade association events where media reporters may be present should also be discussed with Kroger G.O. in advance.



Other Guidelines

1. Interviews, photographing and filming are not allowed in stores or other facilities unless approved by the Fred Meyer Public Affairs Department.
2. Sales, capital expenditures, gross margins, profits, labor costs, and other information about our business operations are confidential and proprietary and should not be discussed.
3. Prices are determined by a number of factors; generally it is unwise to speculate whether prices will increase or decrease.
4. We never comment on market rumors or speculation, no matter how farfetched.
5. We never comment on pending litigation or personnel matters.
6. We do not make negative comments about competitors or suppliers.
7. We seek to minimize our exposure in the trade press.
8. Stores do not speak for plants and plants do not speak for stores.
9. Generally, only the designated media relations person or the President of Fred Meyer Stores should talk to the media. We do not permit the media to conduct interviews of Customers or associates in our stores or on our premises. Store employees should refer all media inquiries to the Store Directors. Store Directors should refrain from talking to the media until they have contacted the VP of Public Affairs.
10. Fred Meyer employees generally should not discuss security issues with the press. If there is a robbery, shooting or other crime, the media should be referred to the police spokesperson. No photographing or filming on company property should be permitted.

The Kroger G.O. Director of Corporate Communications or Group Vice President of Corporate Affairs at G.O. is available 7 days a week, 24 hours a day to provide assistance to Fred Meyer. Kroger Corporate Affairs will provide "heads up" information on potential issues that may affect Fred Meyer (such as a proposed law, or national price increase/decrease or national television story in the works). Fred Meyer Public Affairs Department will contact Kroger G.O. when they become aware of issues that may affect other regions or the Company as a whole.

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From time to time, Kroger G.O. will prepare Contingency Statements (CS) on important or timely issues for use by Fred Meyer with the media, employees and Customers. Fred Meyer Public Affairs Department will alert Kroger G.O. regarding matters they believe might require a CS.

Kroger G.O. will provide Fred Meyer with immediate copies of press releases and other stories generated by Kroger G.O. Fred Meyer Public Affairs Department will provide Kroger Corporate Affairs Department with press releases issued by Fred Meyer, as well as internal newsletters.

Key Contacts:

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9 Products

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9.1 Intersection Transfers

(10/05)

Statement

Corporate guidelines have been established for the intersection transfer (IT) process to ensure that all merchandise moving from one location to another within the Company is properly tracked and accounted for.

This policy describes the process for both MAGIC and E40 online transfers. In addition, this policy provides general guidelines for creating and shipping ITs. For detailed instructions on how to complete online ITs, refer to the *Non-Food Receiving Coordinator Reference Guide*.

Scope

This policy applies to all Fred Meyer Stores associates.

Effective Date

This policy is effective immediately and supersedes any previous policies.

Policy Owner

Route all policy questions and suggested updates to the Senior Vice President of Store Operations.

Violation of This Policy

Associates who violate this policy will be subject to disciplinary action up to and including termination.

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Overall Process

The following table provides an overview of the IT process:

Stage	What Happens	Who Does It
1	A request for merchandise is made.	Varies
2	Approval is obtained.	Management at sending location
3	Merchandise is gathered and shipped.	Sending location
4	Merchandise is received at the receiving location and checked against the manifest.	Receiving location
5	ITs are processed and reports are generated.	Sending/receiving locations (online)
6	Errors are corrected.	Sending/receiving locations (online)

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Processing Intersection Transfers

Note the following when processing an IT:

- ◆ ***All Intersection Transfers (E40) and MAGIC online transfers must be completed by a Fred Meyer associate.***
- ◆ ***Items that have a retail value of less than \$10 cannot be transferred between locations except when needed for—***
 - A Customer
 - Evidence in a loss prevention case
 - Advertising purposes

Note: Associates needing an item that has a retail value of less than \$10 should purchase the item and list it on the Business Expense Statement/Settlement form (M344) for reimbursement.

- ◆ ***Transfer documents for Customers must include the Customer's name and telephone number.***
- ◆ ***ITs made for the purpose of leveling inventory should amount to at least \$100 per transfer and must be initiated/approved by a buyer or a regional supervisor.***
- ◆ ***Hazardous materials require special handling.*** If there is a situation where hazardous material must be transferred, follow the hazardous materials shipping procedures. The following types of merchandise are considered to be hazardous materials:
 - Garden chemicals, including fertilizers of any kind
 - Pool and hot-tub chemicals
 - Pesticides and insecticides
 - Paint, solvents, and thinners of any kind
 - Caulking, roof adhesive, and glue adhesive of any kind
 - Automotive chemicals (for example, motor oil, antifreeze, brake fluid, transmission fluid, windshield washer fluid)
 - Automobile batteries
 - Liquid pharmaceuticals
 - Household chemicals (for example, bleach, detergent, cleansers)
 - Refrigerants and coolants
 - Fire extinguishers
 - Cosmetics (for example, nail polish and nail polish remover)

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- Aerosol cans

Shipping Intersection Transfers

The following guidelines should be applied when shipping an IT:

- ◆ **ITs should be shipped by Fred Meyer trucks or freight companies.** ITs should be routed through the DTC whenever possible.
- ◆ **Only Fred Meyer non-union hourly or salaried management associates can carry transfers between locations.** Vendors and Customers are not permitted to carry transferred merchandise or transfer documents.
 - **Note:** The only exception being the currently-approved advertising company that has been designated to obtain merchandise for photo shoots.
- ◆ **The sending location is responsible for transferred merchandise until it is received at the receiving location.** All shortages and lost transfers are charged back to the sending location for adjustments.
- ◆ **ITs should never be sent through intersection mail**—a specified management associate, DTC truck, or outside carrier (for example, DHL, UPS, Federal Express) should be responsible for transporting the merchandise.
- ◆ **Personal vehicles should not be used for transferring items from one location to another for liability reasons.** If it is necessary to use a personal vehicle to transport merchandise, approval must be obtained from the sending location's Store Director or person-in-charge and mileage must be reimbursed to the associate on the *Business Expense Statement/Settlement* form (M344).
- ◆ Product being transferred will not be taken to an associate's house or residence overnight during the transfer process.
- ◆ **The person receiving the transfer must be someone other than the carrier.**
- ◆ There must be 3 different people involved in creating a transfer:
 - The sender/creator of the transfer (who cannot be the carrier)
 - The carrier of the transfer/product (who cannot be the creator)
 - The receiver of the transfer/product (who cannot be the carrier)

Note: If the product is being transferred for an associate to purchase, the purchasing associate may not be one of the three required people to create the transfer.

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Checking-in Transfers

Before an intersection transfer may be acknowledged online, the associate must:

- ◆ Compare the package(s) contents to the Intersection Transfer manifest
- ◆ Write the quantity received in the Quantity Received field on the Intersection Transfer with a red pen
- ◆ If an item is received that isn't listed on the Intersection Transfer, add the SKU/UPC and quantity of the item
- ◆ Scan each item with the SPA handheld unit to verify that it is in the POS system
- ◆ Stamp the Intersection Transfer form with the correct P&L stamp; date and sign the form; write his/her associate number on the form; and forward it to the Non-Food Receiving Coordinator

Questions

If you have questions relating to IT procedures, contact the Operations group at the main office for more information.

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9.2 Product Recalls

(10/02)

Statement

When Fred Meyer is notified of defects or potential health hazards in products bearing the Fred Meyer private label, products that Fred Meyer manufactures, or for distributed consumer product, a fast, systematic procedure is necessary for analyzing the situation and deciding what action to take.

It is the policy of the company to offer our Customers products that are wholesome and safe for their intended use. Any and all threats of product contamination / tampering, and product recalls must be treated seriously and appropriate action must be taken to protect our Customers and employees. Product tampering incidents historically have occurred in unpredictable forms and products. Therefore, you must be prepared at all times to respond to threats alleging product contamination so the situation can be resolved, quickly.

The 1983 Federal Anti-Tampering Act makes tampering with consumer products, threats of product tampering, or knowingly reporting false information about product tampering a Federal crime and any involved individual(s) is subject to criminal prosecution.

Scope

This policy applies to all Fred Meyer Stores employees involved in the buying, manufacturing, and/or distributing of Fred Meyer products and merchandise within the Company.

Effective Date

This policy is effective immediately and supersedes any previous policies.

Policy Owner

Route all policy questions and suggested updates to the President.

Violation of this Policy

Employees who violate this policy will be subject to disciplinary action up to and including termination.